



BILLING CODE: 4810-33-P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

Agency Information Collection Activities:

Information Collection Renewal; Submission for OMB Review;

Subordinated Debt

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury.

ACTION: Notice and request for comment.

SUMMARY: The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on a continuing information collection, as required by the Paperwork Reduction Act of 1995 (PRA).

In accordance with the requirements of the PRA, the OCC may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number.

The OCC is soliciting comment concerning renewal of its information collection titled, "Subordinated Debt." The OCC also is giving notice that it has sent the collection to OMB for review.

DATES: Comments must be submitted on or before [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by e-mail, if possible. Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557-0320, 400 7th Street, SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to prainfo@occ.treas.gov. You may personally inspect and photocopy comments at the OCC, 400 7th Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Additionally, please send a copy of your comments by mail to: OCC Desk Officer, 1557-0320, U.S. Office of Management and Budget, 725 17th Street, NW., #10235, Washington, DC 20503, or by email to: oir_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Shaquita Merritt, Clearance Officer, (202) 649-5490, for persons who are deaf or hard of hearing, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street, SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219.

SUPPLEMENTARY INFORMATION: OMB granted the OCC a six-month approval for the information collection requirements contained in the interim final rule entitled “Subordinated Debt Issued by a National Bank” (December 2014 Interim Final Rule).¹ The OCC obtained this approval under existing OMB Control No. 1557-0320, which contained the information collection requirements in the interim final rule entitled “Basel III Conforming Amendments Related to Cross-References, Subordinated Debt and Limits Based on Regulatory Capital” (February 2014 Interim Final Rule).² The OCC proposes to extend OMB approval of the entire information collection for the standard three year period.

Title: Subordinated Debt.

OMB Control No.: 1557-0320.

Frequency of Response: On occasion.

Affected Public: Business or other for-profit.

Burden Estimates:

Prepayment of Subordinated Debt in Form of Call Option: 184

respondents; 1.30 burden hours per respondent; 239 total burden hours.

¹ 79 FR 75417 (December 18, 2014).

² 79 FR 11300 (February 28, 2014).

Authority to Limit Distributions: 42 respondents; 0.5 hours per respondent; 21 total burden hours.

Total Burden: 260 hours.

Description: The OCC amended its rules governing subordinated debt twice in 2014. The first set of revisions, contained in the February 2014 Interim Final Rule, amended the rules applicable to both national banks and Federal savings associations (12 CFR 5.47 and 163.81, respectively). The second revisions, contained in the December 2014 Interim Final Rule, amended only the rules applicable to national banks.

The February 2014 Interim Final Rule revised the requirements of 12 CFR 5.47 applicable to national banks. Specifically, those revisions require that all national banks must receive prior OCC approval in order to prepay subordinated debt that is included in tier 2 capital and certain national banks must receive prior OCC approval to prepay subordinated debt that is not included in tier 2 capital. If the prepayment is in the form of a call option and the subordinated debt is included in tier 2 capital, a national bank must submit the information required for general prepayment requests under 12 CFR 5.47(g)(1)(ii)(A)³ and also must comply with 12 CFR 5.47(g)(1)(ii)(B)(2)⁴, which requires a national bank to submit either: (1) a statement explaining why the bank believes that following the proposed prepayment the bank would continue to hold an amount of capital commensurate with its risk or (2) a description of the replacement capital instrument that meets the criteria for tier 1 or tier 2 capital under 12 CFR 3.20, including the amount of such instrument and the time frame for issuance.

³ Appeared as § 5.47(n)(1)(ii)(B) in the February 2014 Interim Final Rule and subsequently redesignated as § 5.47(g)(1)(ii)(B).

⁴ Appeared as § 5.47(n)(1)(ii)(A) in the February 2014 Interim Final Rule and subsequently redesignated as § 5.47(g)(1)(ii)(A).

The February 2014 Interim Final Rule also revised the requirements of 12 CFR

163.81⁵ applicable to Federal savings associations. Specifically, those revisions require a Federal savings association to obtain prior OCC approval to prepay subordinated debt securities or mandatorily redeemable preferred stock (covered securities) included in tier 2 capital. In addition, if the prepayment is in the form of a call option, a Federal savings association must submit the information required for general prepayment requests under 12 CFR 163.81(j)(2)(i) and also comply with 12 CFR 163.81(j)(2)(ii)(A), which requires a Federal savings association to submit either: (1) a statement explaining why the Federal savings association believes that following the proposed prepayment the Federal savings association would continue to hold an amount of capital commensurate with its risk or (2) a description of the replacement capital instrument that meets the criteria for tier 1 or tier 2 capital under 12 CFR 3.20, including the amount of such instrument and the time frame for issuance.

The December 2014 Interim Final Rule revised 12 CFR 5.47 to add a disclosure requirement in 12 CFR 5.47(d)(3)(ii)(C). A national bank must describe in the subordinated debt note the OCC's authority under 12 CFR 3.11 to limit distributions, including interest payments on any tier 2 capital instrument, if the national bank has full discretion to permanently or temporarily suspend such payments without triggering an event of default.

The OCC issued a 60-day *Federal Register* notice on April 14, 2015, regarding the collection (80 FR 20074). No comments were received regarding the information collection. One comment was received regarding subordinated debt guidelines and

⁵ The OCC renumbered this section as new § 5.56 in its final rule entitled "Integration of National Bank and Federal Savings Association Regulations: Licensing Rules," 80 FR 28346 (May 18, 2015).

rulemakings issued separately by the OCC. The comment will be considered with regard to those issuances. Comments continue to be invited on:

(a) Whether the collections of information are necessary for the proper performance of the OCC's functions, including whether the information has practical utility;

(b) The accuracy of the OCC's estimates of the burden of the information collections, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology.

[THIS SIGNATURE PAGE RELATES TO THE NOTICE ENTITLED “AGENCY INFORMATION COLLECTION ACTIVITIES: INFORMATION COLLECTION RENEWAL; SUBMISSION FOR REVIEW; SUBORDINATED DEBT”]

Dated: June 17, 2015

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Regulatory Specialist

Legislative and Regulatory Activities Division

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